

OPEN INNOVATION.

Customer as a development partner.



innolytics
EXPLORING FUTURE MARKETS

ISPO
Open Innovation



THE NEW ROLE OF CUSTOMERS

Welcome to the age of Open Innovation

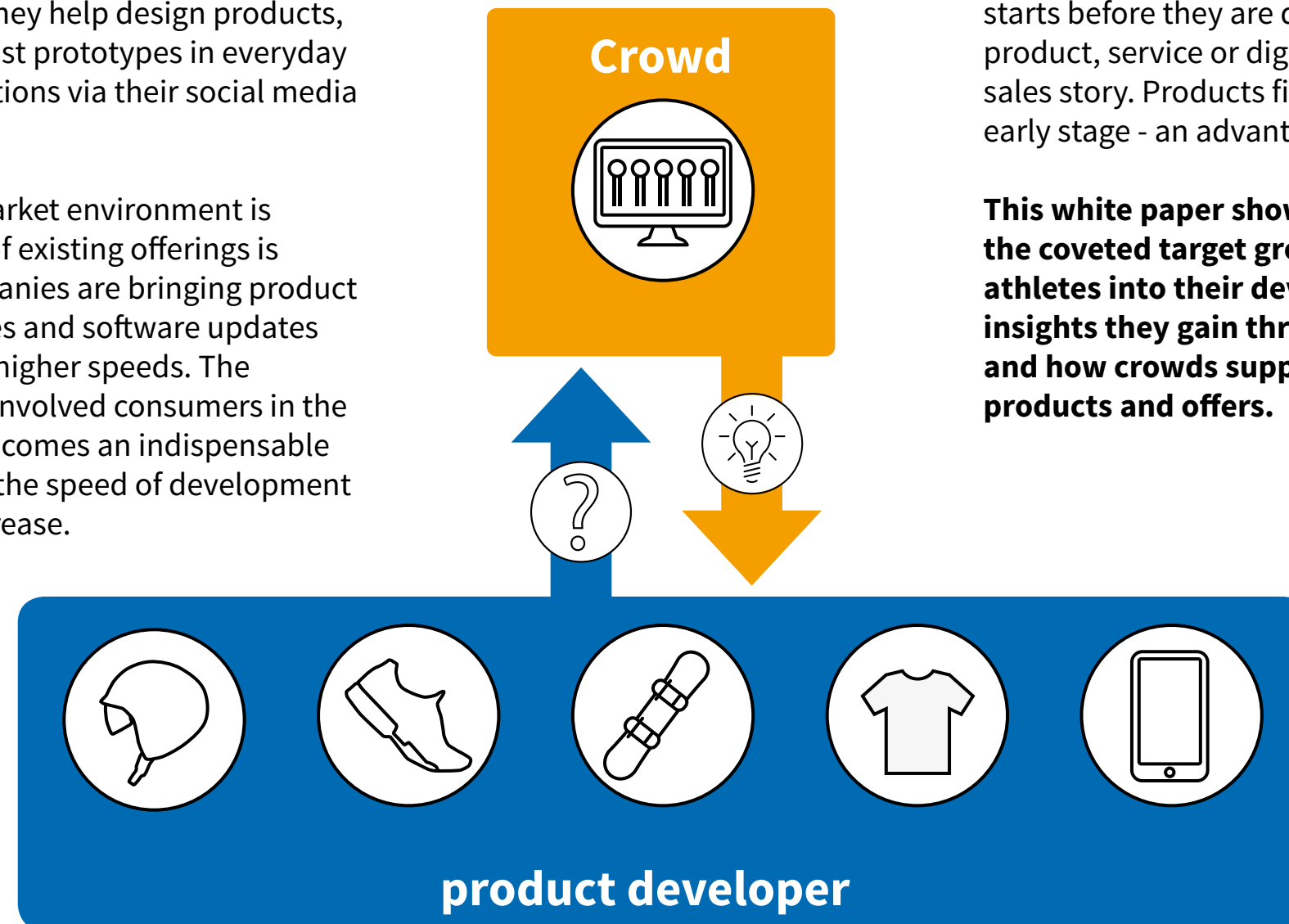
The Internet redefines the relationship between companies and consumers.

Customers can and want to play an active role in the development process: They help design products, contribute their ideas, test prototypes in everyday life and promote innovations via their social media channels.

At the same time, the market environment is changing: the life cycle of existing offerings is becoming shorter, companies are bringing product innovations, new services and software updates onto the market at ever higher speeds. The involvement of actively involved consumers in the development process becomes an indispensable competitive advantage: the speed of development and the success rate increase.

The marketing of innovations is also changing. It starts before they are developed. The genesis of a product, service or digital offer becomes part of the sales story. Products find a fan community at an early stage - an advantage for the market launch.

This white paper shows how companies integrate the coveted target group of ambitious hobby athletes into their development processes, which insights they gain through the close cooperation and how crowds support the development of new products and offers.



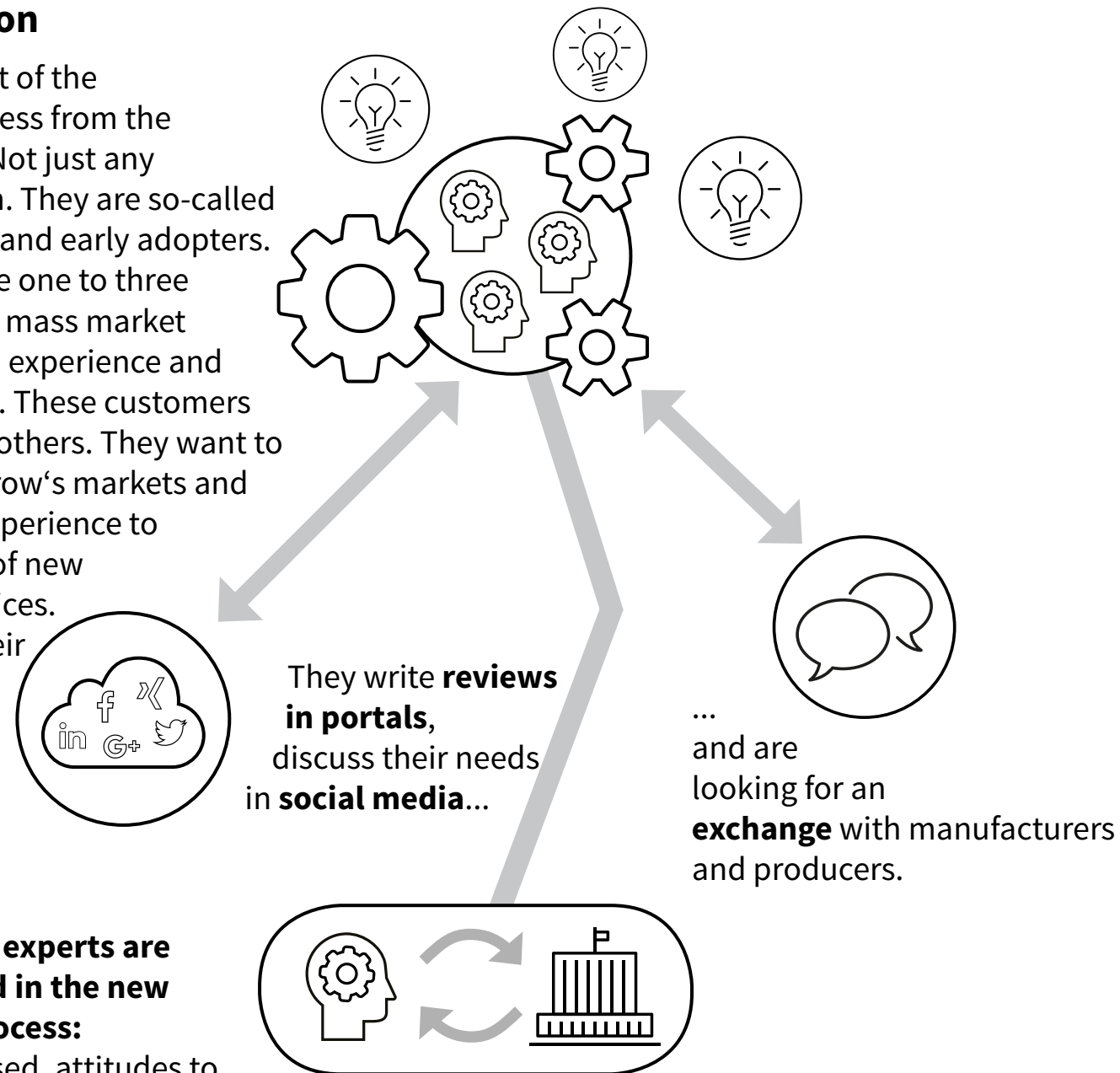
THE NEW ROLE OF CUSTOMERS

Developing innovations with the crowd

Product development 4.0

Open Innovation

Customers are part of the development process from the very first minute. Not just any customers, though. They are so-called consumer experts and early adopters. Customers who are one to three years ahead of the mass market with their lifestyle, experience and in-depth expertise. These customers are different from others. They want to help shape tomorrow's markets and contribute their experience to the development of new products and services. Participation is their lifestyle.



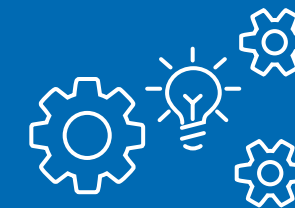
These consumer experts are actively involved in the new development process:

Needs are discussed, attitudes to products and offers are questioned. The ideas of the crowd form the basis for the design, features/functions, improvements and further developments of products. They test innovations and become early brand ambassadors.

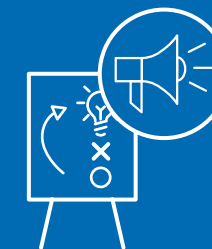
Open Innovation –

Exploiting the potential of consumer experts

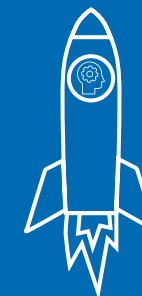
Companies that understand how to involve consumer experts in every step of the development process develop innovations faster and are closer to the needs of future consumers. They start their marketing efforts in the development phase and create what many new products and offerings fail to achieve: a successful launch - supported by consumer experts as brand ambassadors.



The development speed of new products and offerings increases



Innovation marketing begins even before the launch



Consumer Experts - Paving the way for a successful market launch through risk minimization and proof-of-concept

CASE STUDY

Development of an innovative sports shirt with the Crowd

clim8 is a start-up from France that produces intelligent clothing for athletes and all those who are regularly exposed to cold conditions. It impressively shows how new products are developed and launched on the market together with the crowd. On the ISPO OPEN INNOVATION platform, companies develop their innovations together with more than 33,000 users. Thus clim8 wins a fanbase - even before the product has been developed to the end. A fascinating example of tomorrow's product development and innovation marketing.

This T-shirt comes with an App

The clim8 product already seems futuristic. A T-shirt with built-in sensor technology. The temperature can be regulated optimally by app: it warms up whenever the body needs it. This is a useful function for athletes, for example in cross-country skiing, when the body cools down in certain places. The market launch strategy is just as innovative as the product.

Build a fanbase in the early stage of development

How does the prototype reach the sports community? What needs to be improved? Which functions of the app are redundant or missing? For these questions clim8 has made the prototype available to the users of the ISPO OPEN INNOVATION Community for testing. A clever move: not only does clim8 receive valuable input from customers during a significant phase of development, the test reports are already the first part of the subsequent marketing.



The story of product development is the story of the product

In times of digital change, the story of a product is just as important as the product itself. Clim8's story is: co-developed by consumers. A valuable sales argument for the start-up. At the ISPO MUNICH trade fair in February 2017, not just any new product was presented, but one that has already undergone the toughest practical tests by athletes. And one that already has fans.

The new innovation marketing

In the past, processes were clear: market research provided consumer insights, technology developed a product, marketing and sales introduced it to the market. Clim8 turns this classic understanding of product development and marketing upside down. Innovation marketing begins before the completion of the innovation. Clim8 uses crowdsourcing as a natural part of the development process. A prime example of how the development of new products is increasingly adapting to digital logic.

WHY OPEN INNOVATION WORKS

Developers and consumers - different perspectives

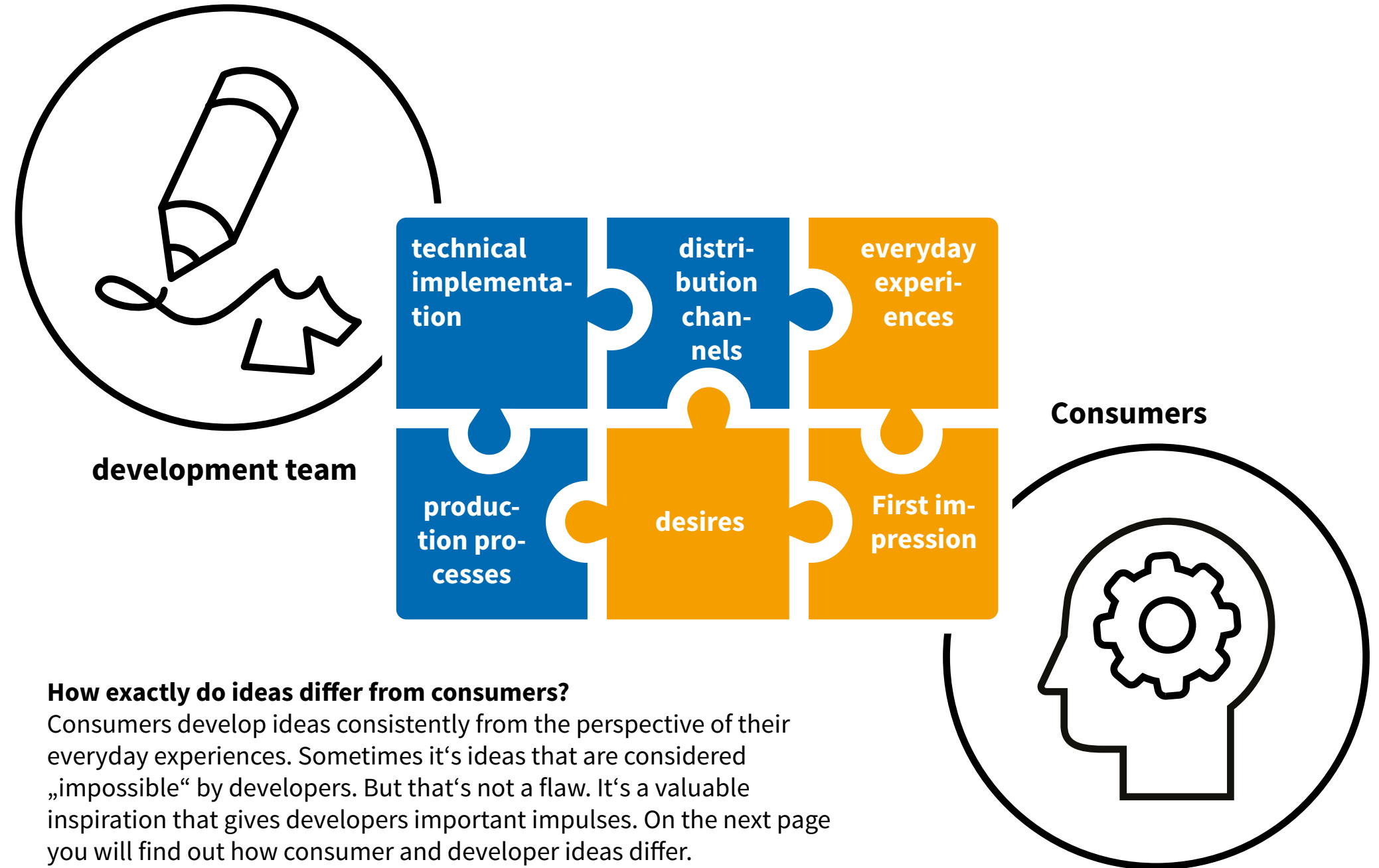
How do ingenious ideas come into being?

Ideas are the puzzle pieces of your knowledge and experience newly combined. Everything you know and experience flows into the creative process: The success factors of your industry, your personal experiences with consumers, your know-how in manufacturing technology and your expertise in sales. On this basis, you and your colleagues develop innovations. But beyond your own knowledge and experience, consumers can deliver valuable pieces of the puzzle that will benefit you.

Ideas from consumers are not better - but different

The change of perspective is one of the most effective creative development methods. Ideas are created by different perspectives and experiences. Same experiences produce the same ideas. Creativity needs an interior and exterior perspective.

Much of what you know, consumers do not know. And that's a good thing. I don't want you to know. Because then the ideas would be the same as yours. Consumers bring the urgently needed change of perspective into your development!



How exactly do ideas differ from consumers?

Consumers develop ideas consistently from the perspective of their everyday experiences. Sometimes it's ideas that are considered „impossible“ by developers. But that's not a flaw. It's a valuable inspiration that gives developers important impulses. On the next page you will find out how consumer and developer ideas differ.

WHY OPEN INNOVATION WORKS

Consumer ideas are not better - just different

What do consumers know?



What awareness they have of brands.



How open they are to innovation.



How active they are in social media.



What they expect from a product.



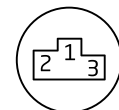
What they need to practice their sport.



In which situations and for which sports they want to use a product.



How the product performs in different situations.



What significance sport has in your life.

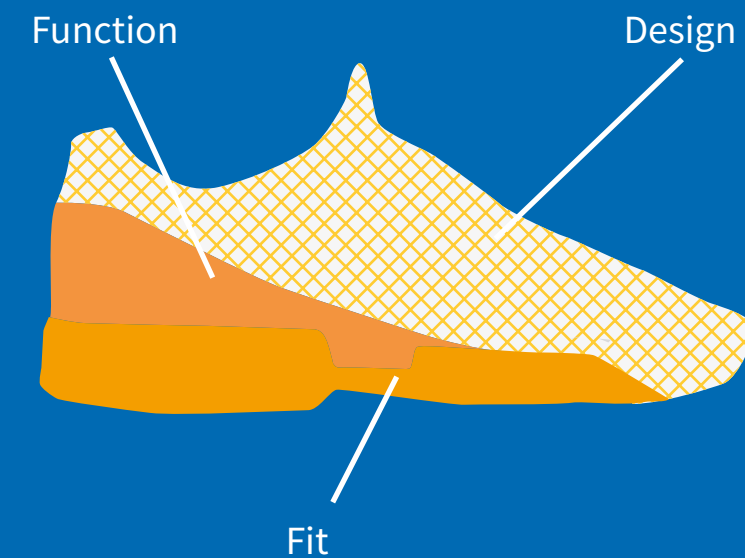


What income they have.

Company develops a prototype
(e. g. sports shoe, hiking shoe, ski binding, shirt,
board,...)



Feedback from consumers



WHY OPEN INNOVATION WORKS

Consumer Experts deliver the view from the outside

As human beings, we can't help it. As soon as we see, feel or hear something, we begin - consciously or unconsciously - to filter information. Every thought and every new idea goes through what science calls „cognitive filters“: assessment mechanisms that ensure that information matches our existing views.

The views of developers and consumers differ drastically.

Accordingly, each new idea is evaluated differently by both of them.

**An example: Different reactions to the presentation of an idea:
An innovative shoe material that expands in heat and cools the foot.**

Does my shoe still remain just as stable when the material opens? This could be a problem especially when running off-road.

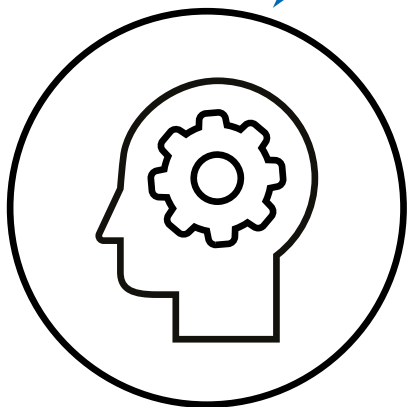
Perhaps you should apply a somewhat harder layer of material around the soft material, which provides additional stability - even when the shoe is stretching.

How is this technologically feasible?

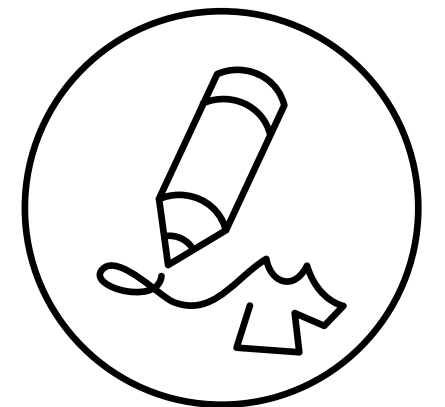
Is this compatible with our production facilities?

Our largest distribution partner has just said that they rely less on new materials and more on innovative lacing systems.

And does the material justify a three percent increase in production costs?



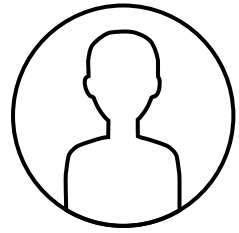
**cognitive filters of a
consumer experts**



**cognitive filters of a
product developers**

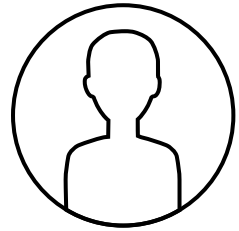
WHY OPEN INNOVATION WORKS

Consumer Experts from the ISPO OPEN INNOVATION Community are as diverse as this



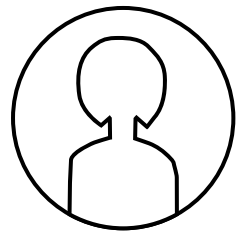
I have already been an active tester. I am an Ex Athlete and passionate for new products, I am a wearable Tech Expert and I love new technologies.

– **Andrea M.**



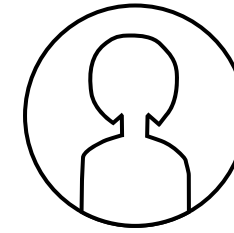
Ich bin leidenschaftlicher Kletterer (Ca. 2-3 mal je Woche), Taucher (Ca. 1-3 mal im Monat) und Läufer (5-7 mal je Woche). Mich zeichnen Sportlichkeit, Lebenslust, Ausdauer und Zielstrebigkeit aus.

– **Michael H.**



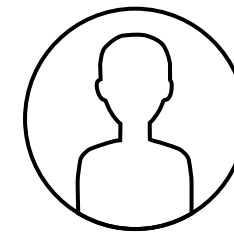
Ich bin Ärztin (Sportmedizin), Bergrettungsärztin und Bergwanderführerin. Seit meinem 9. Lebensjahr bin ich auf Tourenski unterwegs (meine Haupt- und Lieblingssportart), hier stelle ich auch große Ansprüche an meine Ausrüstung und werde oft vom weiteren Bekanntenkreis um Rat beim Kauf von Sportprodukten gefragt. Hinter mir liegen Expeditionen zu verschiedensten Bergen in Südamerika, Asien. Letzten Sommer habe ich trail running begonnen. Ich organisiere jedes Jahr Bergrettungsausflüge, Skitourenwoche und betreue in einem Alpincenter das Office und die Homepage.

– **Katharina P.**



Ich studiere Textildesign, daher bin ich einerseits sehr affin gegenüber textilen Materialien. Mein Wissen über textile Herstellungsverfahren, -verarbeitung und möglicher Techniken untermauern zudem meine Berechtigung als mögliche Testerin. Ich achte sehr auf Gesundheit und Fitness, gehe regelmässig trainieren um meinen Körper und Geist fit zu halten. Zuletzt bin ich ein Mensch der sehr hohe Maßstäbe setzt. Ich bin kritisch und hinterfrage sämtliche Gegebenheiten.

– **Andrea A.**



I am Australian Level 1 Cycling Coach, Cycling Australia registered Master Cyclist, Sports Manager Level 1 SEAL, Bicycle Shop owner, I participated in a nutrition study with USANA Health Science. I am also doing heat stress training.

– **Revilo K.**

ISPO OPEN INNOVATION - HOW IT WORKS

How innovation projects work

The Italian ski boot manufacturer Dalbello, the workwear manufacturer Kübler, the manufacturer of transport systems Thule - they all tested their products on the ISPO OPEN INNOVATION platform. How does an Open Innovation Project work?

How are the 33,000 ambitious hobby sportsmen and women on the platform selected as suitable development partners? And how long does a project take? Answers to these questions can be found on this page.

1. Project challenges are clearly defined

The crowd can be involved in different parts of the innovation process. At the beginning - to gain insights through surveys and qualitative interviews. During development - to generate ideas for new products and services. In the prototype phase - to give feedback on the first drafts of development teams. Before and during market launch - to provide marketing with valuable input for positioning and sales messages. In the first step of a project, we discuss which results best advance the development of the product. The project type is defined on the basis of the requirements: A survey, interviews, an idea competition or a product test. It is also determined whether the project takes place in public or for a closed user group.

2. Users are invited

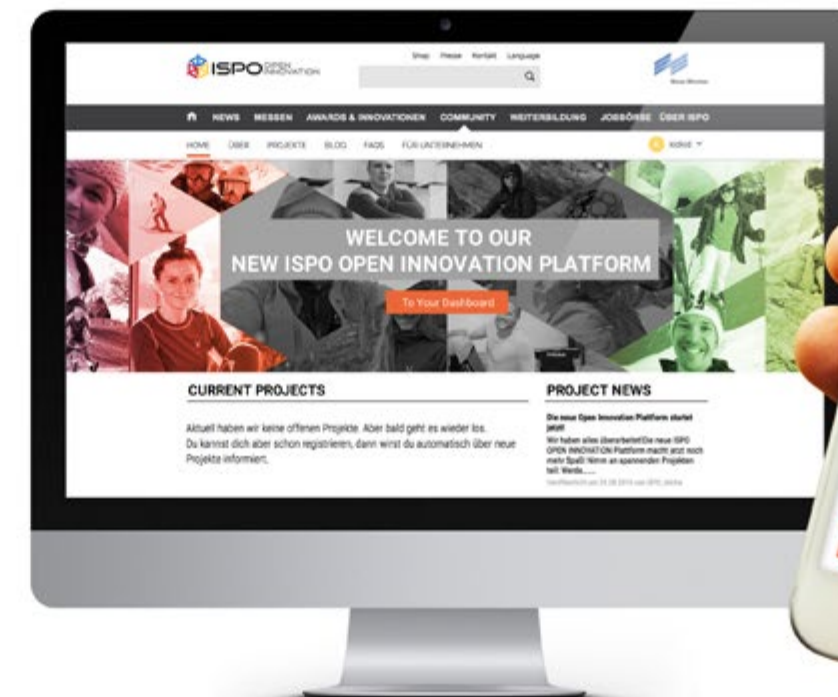
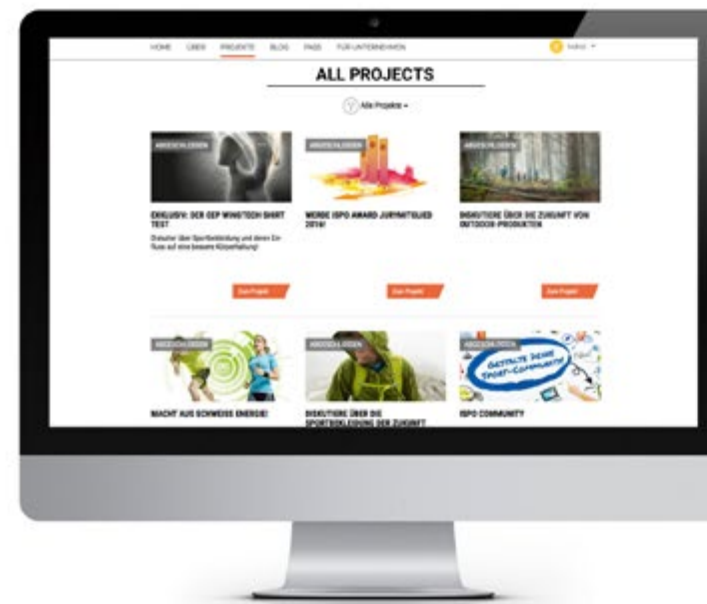
Through the community and the ISPO network, users are made aware of the project. You apply via an initial questionnaire. In this section, they are asked about their experiences with regard to their attitudes and sports in which they are active. A representative selection is made.

3. Start of the project

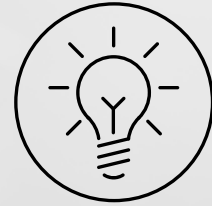
Projects on the ISPO OPEN INNOVATION platform take between 4 and 8 weeks. After the users have received their invitation for a project, they are briefed. During product tests you will receive the products for intensive testing over several weeks. Users answer questions, write test reports and give ideas as input for development teams. The moderator team guides the users and follows up with specific questions.

4. The evaluation

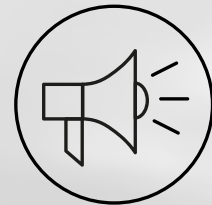
The ISPO OPEN INNOVATION platform contains a number of important tools for the final phase of projects: A statistical software for the analysis and presentation of survey results, a text analysis tool for the evaluation of qualitative discussions and tools for the implementation and analysis of idea evaluation. Companies receive detailed decision bases for the next steps of development.



FIVE REASONS FOR OPEN INNOVATION



Generation of new ideas



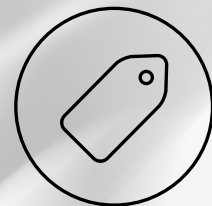
Through recommendation marketing, consumers become brand ambassadors



Modern market research through direct consumer feedback



Increase awareness and range by accessing our ISPO network




Each product receives an ISPO seal of approval

CONTACT

Would you like to develop new products together with our users or put them through their paces? Our highly qualified community is looking forward to exciting projects and new tasks.

Contact us and arrange a first free consultation appointment.

 +49 (0) 341 230 66 70

 info@innolytics.de